

## **KENTUCKY HEALTH BENEFIT EXCHANGE ADVISORY BOARD**

### **Small Employer Health Options Program (SHOP) Subcommittee**

#### **Meeting Minutes**

**May 9, 2013**

#### **Call to Order and Roll Call**

The SHOP Subcommittee held its ninth meeting on Thursday, May 9, 2013, at 1:30 p.m. in the Small Conference Room at the Office of the Kentucky Health Benefit Exchange. Jeffrey Bringardner, Chair, called the meeting to order at 1:30 p.m., and the Secretary called the roll.

Subcommittee Members Present: Jeffrey Bringardner (by phone), Dr. Richard Broeg (by phone), Paul Brophy (by phone), Dr. Joe Ellis (by phone), Edward Erway, Carl Felix, Jan Gould, Connie Hauser (by phone), Harry Hayes, Doug Metzger (by phone), and Dr. Larry Tinius (by phone).

Staff Present: Carrie Banahan, Chris Clark, Reina Diaz-Dempsey, Miriam Fordham, Wanda Fowler, Kris Hayslett, William Nold, Brenda Parker, Vanessa Petrey, Melea Rivera, Chandra Venettozzi, and Maggie Woods (DOI).

#### **Approval of Minutes**

A motion was made to accept the minutes of the April 11, 2013, meeting as submitted, seconded, and approved by voice vote.

#### **Draft Regulations**

A draft administrative regulation for eligibility and enrollment was distributed to the members. Melea Rivera, Office of the Kentucky Health Benefit Exchange (KHBE), asked for comments on the proposed regulation and on the Small Employers Health Options Program (SHOP) administrative regulation that was distributed at the last subcommittee meeting.

#### **SHOP and COBRA Continuation of Coverage**

Ms. Rivera briefed the subcommittee on Consolidated Omnibus Budget Reconciliation Act (COBRA) coverage and mini-COBRA benefits and asked for input from the subcommittee on any potential role for the SHOP Exchange in administering coverage for the two programs. Chairman Bringardner proposed that the SHOP may have a role in sending premiums collected from employers to the issuers. It is clear that the employers collect the premiums, but it is not as clear whether the employer sends the premiums directly to the issuer. The subcommittee members recommended that the issue be taken to their respective companies for discussion and the results of the discussions reported back to the subcommittee at the next meeting.

#### **Reinstatement of Employers for Non-Payment of Premiums**

Members were asked at the last meeting to provide guidance on the SHOP establishing a policy for reinstatement for non-payment of premiums. The question was raised as to whether the 60 day special enrollment period for employees is triggered at the time of loss of coverage or from

the date of notice of loss of coverage. Exchange staff will research the issue and provide clarification as to when the special enrollment period is triggered. A consistent reinstatement policy for all issuers was recommended. The subcommittee members discussed various policy parameters regarding the number of reinstatements per year and conditions to be placed on employers following a reinstatement. The members recommended that the Exchange consult with the Department of Insurance to develop a policy acceptable to participating health issuers. The subcommittee will provide feedback on a policy to be drafted by the Exchange.

### **Employer Minimum Contribution**

Chairman Bringardner briefed the members on the four options available to the SHOP Exchange to define employer contributions that were presented at the last subcommittee meeting. The current information technology (IT) system is designed to accommodate a straight percentage contribution for any plan that an employee chooses. Members raised concerns that this methodology would limit the number of choices that an employer would offer his or her employees. Members support a methodology that allows for employer choice of a reference plan to base his or her premium contribution, due to the greater flexibility provided to employers and encouraged the Exchange to move forward with this option in 2014. William Nold, Deputy Executive Director, KHBE, explained that any decision made this year by the Exchange can be revisited and revised in the future. The Exchange has to take into consideration the current IT system design and the ability to modify the system in the future. Chris Clark, Project Manager, KHBE, explained that the possibility of making any changes to the current system by October 1, 2013, is lessening every day that passes without a final decision. The members requested that the Exchange investigate whether the recommendation of the subcommittee can be implemented in 2014. The members expressed a preference for this method, and it closely mirrors what is used in the insurance market today.

### **Other Business**

Carrie Banahan, Executive Director, KHBE, briefed the members on the Governor's announcement that the Commonwealth will expand Medicaid to cover childless adults up to 138 percent of the federal poverty level. The current Exchange IT system being designed is integrated and will determine eligibility for Medicaid as well as for qualified health plans.

The next meeting of the subcommittee is scheduled for Thursday, June 13, 2013, at 1:30 p.m. ,in the Small Conference Room at the Office of the Kentucky Health Benefit Exchange.

### **Adjournment**

The meeting was adjourned at 2:50 p.m.